

ATTACHMENT A

Form of Placement Agent Policy Disclosure Letter

Treasurer of the State of North Carolina
325 North Salisbury Street
Raleigh, North Carolina 27603

Re: Disclosure Letter pursuant to Placement Agent Policy

Ladies and Gentlemen:

Under Section III(A) of the Placement Agent Policy adopted by the North Carolina Department of State Treasurer on October 19, 2009 (the "Placement Agent Policy"), prior to entering into an engagement to engage, hire, invest with or commit to invest, or otherwise do business with the Treasurer of the State of North Carolina (the "Treasurer") or at such time as provided in Section II of the Placement Agent Policy, an Investment Manager (as such term is defined in Section VII(B) of the Placement Agent Policy) must make certain disclosures to the Treasurer regarding its use of Placement Agents (as such term is defined in Section VII(B) of the Placement Agent Policy). Pursuant to and in accordance with such Placement Agent Policy, the undersigned Investment Manager hereby makes the following disclosures. Capitalized terms not otherwise defined in this Disclosure Letter have the same meanings as specified in the Placement Agent Policy.

1. Use of Placement Agent (*please check the appropriate box*):

X The Investment Manager (or any officer, partner, principal or affiliate thereof) has elected to use the services of a Placement Agent to assist the Investment Manager in obtaining investments from or doing business with any of the NC Funds. (*Note that this box should be checked whether the compensation provided to the Placement Agent is a flat fee, contingent fee, or any other form of compensation or benefit (tangible or intangible).*) ***If this box is checked, please provide the disclosures as prompted in paragraphs 2 through 8.***

Neither the Investment Manager nor any officer, partner, principal or affiliate thereof has elected to use the services of a Placement Agent to assist the Investment Manager in obtaining investments from or doing business with any of the NC Funds. ***If this box is checked, no further disclosures are necessary.***

2. Placement Agent Information:

(a) The name of the Placement Agent is: _____

The Park Hill Group LLC (“Park Hill”)

- (b) Attached is a resume for each officer, partner, and/or principal of the Placement Agent, detailing the person’s education, work experience and professional designations

Please see attached Schedule A

- (c) Listed below are any and all officers, partners and/or principals of the Placement Agent that are current or former North Carolina Department of State Treasurer employees, Investment Advisory Committee members, or consultants or members of the immediate family of any such person (*attach additional pages as necessary*):

None

- 3. **Placement Agent Compensation:** Described below is any and all compensation of any kind provided or agreed to be provided to a Placement Agent including the nature, timing and value of such compensation. (*Note that compensation to a Placement Agent is deemed to include compensation to third parties as well as employees of the Investment Manager who are retained in order to solicit, or who are paid based in whole or in part upon, an investment from or business with any of the NC Funds (attach additional pages as necessary)*):

GSO retained Park Hill, a wholly owned subsidiary of The Blackstone Group, in connection with the Treasurer of the State of North Carolina’s commitment to GSO Capital Opportunities Fund (“GSO COF” or the “Fund”).

Overview of Fee:

Unless otherwise agreed between GSO and Park Hill, as compensation for the services provided by Park Hill relating to GSO COF, GSO agreed to pay Park Hill in cash in immediately available funds a cash fee (the “Fee”) equal to 1.50% of the aggregate amount of interests (including those interests sold to the Treasurer of the State of North Carolina) sold during the engagement period to investors mutually identified and agreed to. The full amount of the Fee in respect of the initial and any follow-on investments in GSO COF by an investor shall be earned and be payable regardless of the period of time in which the investment is maintained in the Fund, the value of such investment, or the liquidation or dissolution of the Fund.

The original schedule required payment to Park Hill in twelve (12) equal quarterly installments (i.e. 1/12 of 1.50% per each such installment), commencing on the earlier of: (i) first date on or after the relevant closing time on which a

management or other asset-based fee is payable by the Fund, or (ii) six (6) months from such closing time (the date of each such installment, a "Fee Payment Date").

Upon restructuring, a new fee schedule was entered into on June 18, 2009, where it was agreed that the remaining Fee due to Park Hill shall be paid to Park Hill in six (6) semi-annual installments, commencing on January 1, 2009, with 2 installments representing 11.11% of remaining balance in year 2009, and a subsequent 4 installments of representing 19.44% of remaining balance) in years 2010 and 2011. In addition, on each Fee Payment Date, GSO shall pay to Park Hill interest on the unpaid balance of the Fee at an annual interest rate equal to the 90 day London Interbank Offered Rate (LIBOR), as published in the Telerate Service, plus 200 basis points (2.00%), from the relevant closing time as of which the Fee is earned through the date of payment, calculated on the basis of a 360-day year, adjusted quarterly. The unpaid balance of the Fee may be prepaid in whole or in part at any time with interest but without penalty.

Overview of Expenses:

GSO shall reimburse Park Hill within 30 days of its quarterly submittal for up to \$150,000 of its reasonable costs and expenses incurred in connection with the offering of interests ("Expenses"), including, but not limited to, travel and lodging (including, without limitation, expenses associated with attendance at, and/or sponsorship of, applicable private equity conferences), word processing and reproduction, graphics and telecommunication charges, research costs, background reports on key GSO people, courier services and fees, and expenses and disbursements of any outside legal counsel retained by Park Hill; provided, that Park Hill shall be required to provide GSO with quarterly written reports setting forth (with reasonable specificity) the amount and character of reimbursable expenses incurred through such date. GSO shall be charged interest on all deferred reimbursements at LIBOR (as define above) plus two percent (2.00%). GSO and Park Hill agree that any expenses exceeding \$150,000 must be pre-approved by GSO.

4. Terms of Agreement with Placement Agent: Described below are the terms of the agreement or arrangement (oral or written) creating an obligation to pay a fee to or for the benefit of any Placement Agent the Investment Manager has elected to use in connection with obtaining investments or doing business with the Treasurer. *(Please note that in the case of any oral agreement, the full extent of such agreement should be written and summarized, succinctly describing the terms of such agreement or arrangement with the Placement Agent, including details of the nature, timing, and value of the compensation or benefit provided (attach additional pages as necessary))*

As compensation for Placement Agent Services including but not limited to identification of prospective investors facilitation of confidential legal and offering materials and strategic consultation and advisory services. GSO furnished Park Hill a fee of 0.5% of the aggregate amount of interests sold to investors mutually identified and agreed to. In connection with the Treasurer of the State of North Carolina's commitment to GSO COF, Park Hill received a fee of \$693,261

from GSO (0.5% of the Treasurer of the State of North Carolina's GSO COF commitment).

5. Actions and Investigations Involving Placement Agent (please check the appropriate box):

The Placement Agent (or any officer, partner, principal or affiliate thereof) has been the subject of an action, or investigation by a federal, state, or local government agency or regulatory body in the last ten (10) years and/or anticipates being the subject of such actions or investigations in the future. If this box is checked, the following describes any such action(s) or investigation(s) (attach additional pages as necessary):

From time to time, Blackstone, GSO, and their affiliates receive requests for information or subpoenas from governmental agencies and regulatory bodies. In the past 10 years, neither Blackstone, GSO, nor any of their affiliates have been the subject of any adverse finding by any government agency or regulatory body.

Neither the Placement Agent nor any officer, partner, principal or affiliate thereof has been the subject of any actions, or investigations by any federal, state, or local government agencies or regulatory bodies in the last ten (10) years or anticipates being the subject of any such actions or investigations in the future.

6. Relationships between Placement Agent and Department of State Treasurer (please check the appropriate box):

The Placement Agent (or any officer, partner, principal or affiliate thereof) has had a prior personal or professional relationship with a current or former Department of State Treasurer employee, Investment Advisory Committee member, and/or consultant or a member of the immediate family of such person who suggested the retention of the Placement Agent. If this box is checked, the following lists the name(s) of such individual(s) (attach additional pages as necessary):

X The Placement Agent (or any officer, partner, principal or affiliate thereof) has not had any prior personal or professional relationship with any current or former Department of State Treasurer employee, Investment Advisory Committee member, or consultant or a member of the immediate family of such person who suggested the retention of the Placement Agent.

7. Registration of Placement Agent and Licensing of Placement Agent Representatives. The Investment Manager hereby confirms that (i) the Placement Agent is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, (ii) the individual officers, partners, principals, employees, or other representatives of the Placement Agent hold all required securities licenses, (iii) no placement fee has been shared with any person or

entity not so registered and (iv) the Placement Agent is in the habitual systematized business of acting as a Placement Agent.

(a) The Placement Agent's registration details are as follows:

Park Hill Group LLC (CRD # 135898) is registered as a broker dealer with the SEC and regulated by FINRA.

(b) For each individual officer, partner, principal, employee and other representative of the Placement Agent, the registrations, number of years of employment by the Placement Agent and the number of years of experience directly related to such business are as follows (*attach additional pages as necessary*):

Please see attached Schedule A

8. Lobbying Information of Placement Agent (*please check the appropriate box*):

The Placement Agent (and/or any officer, partner, principal or affiliate thereof) is registered as a lobbyist with a state government. If this box is checked, the following are the names and positions of such persons and the registrations held (*attach additional pages as necessary*):

X Neither the Placement Agent nor any officer, partner, principal or affiliate thereof is registered as a lobbyist with any state government.

9. The Investment Manager hereby confirms that none of the Investment Manager, the Placement Agent nor their respective officers, partners, principals or affiliates has made any contribution to the Treasurer or any elected official in violation of any published policy approved by the Treasurer or applicable state or federal law.

[Signature Page Follows]

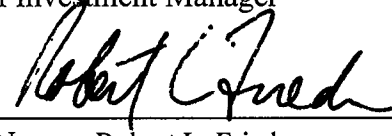
By signing below, the Investment Manager hereby (i) represents and warrants that the information found in this Disclosure Letter is true, correct, and complete in all material respects, and (ii) agrees that it shall provide the Treasurer with a written update of any material changes to any of the information in this Disclosure Letter within fourteen (14) days from the date the Investment Manager knew or should have known of the change of information.

Sincerely,
GSO Capital Partners LP

GSO Capital Opportunities Associates LLC

Name of Investment Manager

By:


Name: Robert L. Friedman
Title: Chief Legal Officer
Date: 12/22/09

[Disclosure Letter should be signed by an authorized representative of the Investment Manager]

Disclosure Letter reviewed and accepted by:

NORTH CAROLINA DEPARTMENT OF STATE TREASURER

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

SCHEDULE A

Name	Title	Regulatory Licenses	Biography
Daniel J. Prendergast, CFA	Managing Principal and Chief Executive Officer	Series 7 Series 24 Series 63 Series 39	Mr. Prendergast founded Park Hill Group with over eighteen years experience in the alternative asset and investment space. Prior to Park Hill, Mr. Prendergast held senior origination and distribution positions at Atlantic-Pacific Capital, Donaldson, Lufkin & Jenrette, and Merrill Lynch. Mr. Prendergast began his career as a CPA with PriceWaterHouse. He received a B.S. in Economics from the Wharton School at the University of Pennsylvania and an M.B.A. from the McCombs School of Business at the University of Texas. He is a CFA charter holder.
Donna A. Toth, CPA	Managing Principal and Chief Financial Officer	Series 28	Donna A. Toth is a Managing Principal and Chief Financial Officer of Park Hill Group and Park Hill Real Estate Group. Since joining, Ms. Toth has been responsible for the financial reporting, operations and administration of both Park Hill Group and Park Hill Real Estate Group. Before joining Park Hill, Ms. Toth oversaw all financial and administrative functions as the Chief Financial Officer of Atlantic-Pacific Capital. Previously, Ms. Toth was the Controller and Director of Financial Reporting at Ziff Brothers Investments. Ms. Toth began her career at PriceWaterhouseCoopers. Ms. Toth received a BS in Business Administration from the University of Connecticut and is a Certified Public Accountant.
Brian D. Levine	Managing Principal	Series 7	Mr. Levine, Managing Principal, is an original founder of Park Hill. He is the head of Park Hill's private equity origination and project management team. Prior to Park Hill, Mr. Levine led the origination and project management functions at Atlantic-Pacific Capital. Previously, he was with the Private Fund Group at Donaldson, Lufkin & Jenrette. Mr. Levine began his career as an accountant and management consultant at Ernst & Young L.L.P. He received a BS in Economics from the Wharton School at the University of

			Pennsylvania.
Joseph M. Herman	Managing Principal	Series 7 Series 24 Series 63	Mr. Herman, Managing Principal, is a member of Park Hill's private equity and hedge fund distribution team. Prior to joining Park Hill, Mr. Herman was President of Atlantic Pacific Capital. Previously he was with Klitzberg Associates where he raised institutional assets for alternative investment managers. Mr. Herman began his career as a consultant with SEI, Inc. He received a BA in Economics from Fairfield University, attended London School of Economics and received an MBA from Pace University.
Thomas H. Roberts	Managing Principal	Series 7 Series 24 Series 63	Mr. Roberts, Managing Principal, is an original founder of Park Hill and he is responsible for Park Hill's private equity and hedge fund distribution. Prior to Park Hill, Mr. Roberts was a Principal with Atlantic-Pacific Capital where he headed up the Dallas office for South and Southeast distribution. Previously, Mr. Roberts was a Managing Director of Private Equity at Morgan Keegan & Company, Inc. where he was responsible for origination, distribution and investments within proprietary private equity funds. Prior to joining Morgan Keegan, Mr. Roberts spent eleven years in investment banking and merchant banking at Donaldson, Lufkin & Jenrette. He received a BS from Southern Methodist University, where he was a Herkimer Scholar, and an MBA from the University of Dallas.
Lawrence A. Thuet	Managing Principal	Series 7 Series 24 Series 63	Mr. Thuet, Managing Principal, is an original founder of Park Hill and he is responsible for Park Hill's private equity and hedge fund distribution. Prior to Park Hill, Mr. Thuet was a Principal with Atlantic-Pacific Capital. Previously, he was a Senior Vice President in the Institutional Management Group of Putnam Investments where he was responsible for new business development and client service in the Midwest. He received a BS in Business Administration from the University of Colorado and an MBA from the University of Chicago Graduate School of Business. He is a member of the Economic Club of Chicago and a member of the Board of Regents at the Mercy Home for Boys and Girls.
Sean J. Keene	Managing Principal	Series 7	Mr. Keene, Managing Principal, is an original

		Series 24 Series 63	founder of Park Hill and he is responsible for Park Hill's private equity and hedge fund distribution. Prior to Park Hill, Mr. Keene was a Principal with Atlantic-Pacific Capital focused on West Coast distribution. Previously, he was a Vice President in the Private Markets Group of Callan Associates, Inc. He received a BA in International Relations from the University of California, Davis.
Joshua Rovine	Chief Compliance Officer	Series 7 Series 24 Series 63	Mr. Rovine is a Managing Director and the Chief Compliance Officer of Park Hill Group and Park Hill Real Estate Group. He is also responsible for a variety of legal and compliance matters within the Blackstone Group. Prior to joining Blackstone, Mr. Rovine was a partner in Sidley Austin Brown & Wood LLP, where he represented and advised clients in domestic and international offerings of hedge funds, commodity pools, and structured derivative products, as well as related regulatory matters. Mr. Rovine began his career at Simpson Thatcher & Bartlett as an associate in the corporate department. Mr. Rovine received a BA from the University of Pennsylvania and a JD from the University of Michigan Law School.
Christopher Leach	Managing Principal	Approved person under the Financial Services Authority Approved Persons Regime (Control Function 30)	Mr. Leach joined Park Hill Group with over sixteen years institutional sales experience in alternative assets and capital markets. Prior to Park Hill, Chris was an Executive Director at UBS Investment Bank and a founding member of the Private Equity funds group, where he had senior sales and origination responsibilities. Before UBS, he held senior sales positions in the fixed income divisions of Banque Paribas in London and Citigroup in Frankfurt. He received a B.A. (Hons) in European Business Administration/Diplom Betriebswirt from Middlesex Business School/FH Reutlingen and a MSc in Finance from the London Business School.
Justin Bower	Managing Principal	Approved person under the Financial Services Authority Approved	Mr. Bower joined Park Hill Group with over ten years experience in the alternative asset and investment banking businesses. Prior to Park Hill, Mr. Bower was an Executive Director at UBS Investment Bank in the Private Equity Funds group in London, covering primarily institutional clients in the UK, Benelux and

		Persons Regime (Control Function 30)	Scandinavia. Before UBS, Mr. Bower was at Vertex Management, where he co-established the venture capital firm's London office. Mr. Bower began his career at HSBC Investment Bank, where he spent five years in the International Corporate Finance, Private Equity and M&A groups. Mr. Bower graduated with Honours from Exeter University, United Kingdom
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